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IAC AD HOC COMMITTEE ON EXCHANGES

Minutes

17 September 1957

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SEP 26 1957

SEP 27 1957

SEP 30 1957

SEP 30 1957

D/M for file

Present:

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Mr. Buford, State
Mr. Lee, State
Mr. Uglietta, Army
Cmdr. Dorr, Navy
Maj. Mickelson, AF
Col. Speiser, JIG
Mr. Shea, USIA
Mr. Nagorski, USIA
Mr. Monk, AEC

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ORR (Present for discussion on long term exchanges)
Secretary

INTRODUCTION

1. The Secretary reported that paragraph 6 of the Minutes of 13 August 1957 meeting should be changed as follows:

Line 7 should say "net intelligence gain will be marginal" not "of no value to intelligence." Line 4 should read "Eastern regions" rather than Eastern hydroelectric developments." The changes were accepted and the minutes were approved.

2. Status Report - The Secretary reported that the case number in Item 8-15, Scientific Metallurgical Exchanges, should be 25423.

ACTION MATTERS

3. Soviet Long Term Exchange Proposal. The Chairman stated that this topic would be taken up first because it is necessary to provide firm advice to the State Department for its October talks with the Soviets on the exchange picture. Mr. Buford circulated copies of [redacted] which contained the US Embassy, Moscow, views on the Soviet proposal. The Embassy believes that the primary Soviet interest is technological gain. Mr. Buford reported that preliminary thinking in the Department of State is that a considerable impact could be made by such a program on the people of the Soviet Union. The Department is prepared to hold the exchanges to three months rather than six if this seems advisable. Mr. Buford added that the Department would like to receive a statement of the intelligence community's viewpoint on the whole project by October 1 so that the Department will have an opportunity to consult industry and other Government agencies in time to prepare a stand for the October negotiations. In addition the Department would like an estimate of the priority intelligence needs and at least two fully staffed projects which can be presented to the Soviets for action. These projects should run at least three months and

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need not necessarily be in the fields proposed by the Soviets. The Department has discussed the Soviet proposal with one US industrialist who indicated that US industry may be willing to go along with the proposal but would certainly not want to send its first line men for the long ^{this is} period of time. Mr. Buford also asked that the Committee review the ^{what is happening} proposal with the PNIO's in mind. The Chairman stated that the PNIO's were always in the forefront of the thinking about proposals and would continue to be. Major Mickelson put forth the thought that the Soviets might have as the primary objective the establishment of espionage nets. The discussion brought out the fact that there are other elements of the US Government responsible for and reviewing this area. Major Mickelson also asked who was going to grind [redacted] into the intelligence assessment. The Chairman agreed that this would not come under the Committee responsibility, but would probably be done by an oral briefing given by the DCI to the OCB or the NSC. This would be based on 5/1 group coordination as necessary. Ambassador Lacy would in turn receive his instructions from either the OCB or the NSC in all probability. It was agreed that the general paper for the Department of State would be done in our usual terms and probably contain a brief assessment for each field involved. Probably two fields from the Soviet list and two other fields will be picked and staffed out for presentation to the Soviets. The possibility of some arrangement such as a US railroad or shipbuilding group in return for a Soviet coal group may also be put forward. Major Mickelson pointed out that the 12 September memo from the Soviets dealt with a large number of fields [redacted]. The Chairman agreed that a number of these possibilities, particularly those [redacted]

[redacted] but noted that we have a priority job in the present problem.

[redacted] was present to give the details of a survey that the ORR analysts had been asked to make of the Soviet proposal. He said that it was not possible to give an ORR consensus because the analysts were not certain of the Soviet motivations and the Soviet memorandum was vague in the respect that it treated industries as units when they are actually composed of many segments, not all equally strategic. Some of the ORR comments were that US industry probably would not be enthusiastic about the long term exchanges and that there might be considerable advantage in carrying out some of the short term proposals so that industry could take a first hand look at the USSR before having to make a decision. It was also stated that one or two of the long term proposals might be tried in order to give the basis for more definitive decision. [redacted] said that if he had to summarize the ORR view point it would be that there is considerable uncertainty and a fear of a net loss might occur because of the USSR technological gain unless precautions are taken. Petroleum might be an exception to this since all technological details are published and the production method seems to be the thing that the Soviets lack in this field. He cited the situation of the [redacted]

[redacted] As a final point, [redacted] pointed out that the general aspects of the economy as mentioned in the Moscow dispatch and not the particular plant information might be the greatest field of US gain. He said he hoped that the Committee would give full consideration to this type of information when working out its priorities. The Chairman

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circulated a memo that he had prepared to brief the DCI on the Soviet proposal. Major Mickelson pointed out that it was necessary to establish parameters to guide the Subcommittees in their consideration of the various fields. The Chairman instructed the Secretary to prepare memoranda requesting the various Subcommittees to come up with estimates during the next week so that the Committee might have a basis for preparing its general statement. It was agreed that the fields of railroads, shipbuilding, general economics and banking, highways - with general emphasis on permafrost - and civil aviation should be added to the bundle. It was also agreed that the instructions should ask the Subcommittees to consider the many possibilities, e.g., visit to one plant as against traveling throughout the industry, and that they should be made aware of the possibilities of a full scale preparation later. [REDACTED] agreed to institute review by the clandestine services so that State might have the benefit of advice from that sector also. Major Mickelson added that the people concerned with the IGY meeting might have something to offer. The Committee will meet on the paper as soon as a draft can be circulated, probably late next week.

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4. Guided Missile Exchange - T-29. Colonel Speiser stated that JIG feels that the guided missile exchange proposal is outside the purview of exchanges as outlined in NSC 5607 and that any proposal involving weapons systems should go to the Department of Defense for full consideration before it is proposed to any other element of the Government. Major Mickelson said that while that type of proposal might seem to be outside the wording of the 5607, it seemed to be within the spirit. The Chairman said that the subject is moot at the present time since General Cabell had the agreement of the IAC that the climate was not suitable for processing this project at the present time. He added that if there was a Pentagon problem, possibly this should be worked out by the JCS.

5. Current Status. Mr. Buford reported that the Soviets had accepted the exchange of women doctors and would like to send their delegation to the US in October with the US delegation to visit the USSR in November. [REDACTED]

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At the same meeting the Soviets brought up the possibility of an exchange of radio engineers for a period of six months. State countered with the view that this was a reiteration of Ambassador Zaroubin's memo of 9 September and would have to be discussed during the October talks. In regard to attendance at the electronic conference in Chicago, 7-9 October, the Department said this would be permitted if the Soviets would extend as reciprocity an invitation for a two or three weeks tour in the Soviet Union in the electronics industry by a delegation of US experts.

6. Evaluations Project. The Chairman reviewed the action to date, noting that Navy, ORR, OSI and OCR had reviewed the pertinent reports and submitted their survey. Army and Air Force representatives said that the review from their agencies would be forwarded shortly. The Chairman secured agreement that the evaluation would take the form of a reissue of IAC-D-103. As a basis, it was suggested that each Agency contribute a statement on each exchange or project and an overall estimate with mention

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of the particularly significant items. Each agency could also contribute any items it might have for the text of the paper. Mr. Buford noted that the Embassy, Moscow, had prepared a number of dispatches on exchanges and suggested a review of these might be appropriate also. He agreed to attempt to attain a list of the appropriate dispatches. The service representatives were asked to obtain similar lists from their representatives in Moscow. Major Mickelson asked if the review was to be limited to exchanges. The Chairman replied that we would certainly give the highlights of conferences and individual travel but that we were obligated to give a very hard and direct look at the exchanges. The Chairman indicated that the Secretary would prepare forms to be circulated to each Agency so that the replies from the evaluators would be of fairly uniform shape. In answer to Major Mickelson's question, the Secretary stated that [REDACTED] 25X1A2g case officers had been asked to request evaluations on all reports secured from participants in US-USSR exchanges and conferences. The Chairman said that the evaluation project would be delayed by the Soviet Long Term proposal and might not be completed until the year's end.

25X1A5a1 7. Scientific Metallurgical Exchange - 8-15. Major Mickelson reported that the Soviets had replied and accepted the proposal forwarded [REDACTED] The US delegation will leave about 1 October for the USSR. The reply lists the Soviets who will be coming to the US and [REDACTED] should have a copy of this list in the near future. A briefing will take place in New York City on 29 and 30 September. The two technical consultants are [REDACTED] 25X1A2g 25X1A9a

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